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TAGS: <u>PGOV PREL ECON SY IR</u> SUBJECT: AHMADINAJAD'S PHOTO OP VISIT TO DAMASCUS

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Classified By: Charge d'Affaires Stephen A. Seche, per 1.4 b,d.

- (SBU) Syrian President Bashar al-Asad and Iranian President Mahmoud Ahmadinajad met for three hours the afternoon of January 19, shortly after the latter's arrival in Damascus. The talks were attended by PM Naji al-Otri, FM Shara'a, Iranian FM Manouchehr Mottaki, and several other ministers on each side. There was a brief one-on-one at the end of these talks. Shara'a met separately with his counterpart later. The two leaders also held a joint press conference, and in the evening, Asad hosted a dinner for Ahmadinajad. At the Asad Library, the Iranian leader offered remarks that one contact characterized as heavy on ideology and answered questions for a select group of $\bar{\text{Syrian}}$ political, cultural, and scientific figures.
- $\P2$. (SBU) On the morning of January 20, his second and final day in Damascus, Ahmadinajad visited the Shia shrine of Sitt a-Zeinab, in the outskirts of Damascus, another in the Old City, and attended Friday prayers at the Ommayyad Mosque. was scheduled to have lunch with Asad, meet with business leaders at the Iranian Embassy at 1530 hours, and then depart Syria.
- 13. (U) At their press conference (reftel), the two leaders emphasized progress in the development of bilateral relations and said they had discussed mechanisms for accelerating this progress. They did not announce any major bilateral economic or political agreements, however. Ahmadinajad mentioned that the higher joint committee of the two countries will meet in February in Damascus, led by the Syrian PM and the Iranian VP, to follow up on possibilities for cooperation that had been raised in his talks with Asad. Asad voiced his support for "Iran's right to obtain peaceful nuclear technology and welcomed the continuation of the dialogue on this issue between Iran and the concerned international parties. men made remarks on Iraq, the Palestinian issue, and Lebanon. Asad stressed "our support for stability in Lebanon and the need to support the resistance" and "prevent interference in Lebanon's internal affairs or any attempts toward internationalization.
- (U) Both men voiced support for the Palestinian right to resistance "against repressive Israeli actions" and the right of return of the Palestinian refugees. They also voiced support for the stability and the political process in Iraq and the withdrawal of foreign forces ("foreign occupiers, according to Ahmadinajad) in accordance with a set timetable.
- 15. (U) At the Asad Library, Ahmadinajad made somewhat incoherent remarks on Jews living in the occupied

territories, posing the question whether the West would be willing to open its doors "to these immigrant Jews" so that they can travel to any part of Europe they wish and guarantee their security and promise not be become anti-Semitic. He also criticized what he called the "slogan of democracy," saying that it was used to disguise aggression and arms races.

- $\underline{\P}6$. (C) On the economic side, the area where observers thought there was the most chance for "deliverables, Mohammad Naji al-Otri January 19 announced a number of economic and commercial agreements that would be concluded either during the summit or in the month following it, but gave no specifics. The current level of economic cooperation between the two countries is very modest and efforts to deepen economic ties have borne little fruit thus far. Even with trade sanctions in place, the US is still a more important trading partner for Syria than Iran. The Iranian joint ventures that are being pursued, reportedly totaling \$700 million USD, have had difficulty coming to fruition. The Syrian-Iranian Auto Manufacturing Company (SIAMCO), a USD 60 million joint venture established in October 2004 between Syrian Mahmoud H, meisho of the El Sultan Company and the Iranian Khodro Industrial Group, which was supposed to produce its first automobiles this month, announced a six-month production delay days before the summit. Contacts state that another project involving the Khodro Group, a USD 200 million project announced two years ago to expand a cement factory near Hama, has not begun production and is still waiting on Khodro to deliver the parts for two production lines. PM Otri also mentioned a new joint project to do with oil, but our contacts in the industry have been dismissive of Iran's ability to contribute to developing Syria's oil sector, pointing to the disarray in Iran's own oil industry as proof of the paucity of Iran's potential contribution.
- 17. (C) Comment: Barring last minute developments, the visit seems to have broken no new political or economic ground and appears designed primarily as an extended photo opportunity, showing the U.S., the Europeans, and regional powers like Saudi Arabia and Egypt that the two beleaguered countries have options and troublesome cards to play, if their interests are ignored. Asad seemed to take care in his public statements to avoid comments that might exacerbate concerns in the West about a strategic partnership between Damascus and Tehran. His remarks at the press conference were substantially shorter and more tempered than Ahmadinajad's. Nevertheless, the visit underscores that the countries' long-standing bilateral relationship, developed over the past two and half decades, appears to have grown somewhat warmer during Bashar al-Asad's tenure in office, especially in the past 18 months. If Asad remains under intense international pressure, he is likely to continue to reach out to the Iranians for support.

SECHE